



Financial Statements

As of July 31, 2021



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Financial Highlights Review

As of July 31, 2021

Operating Income for July was \$95.1 million compared to budgeted income of \$48.9 million.

Overall July net revenue of \$267.4 million was \$57.6 million or 27.4% greater than budget. Net patient revenue, including HRSA Relief Fund revenue, contributed \$15.5 million to the positive variance. Income from DSRIP Medicaid Supplemental program was \$39.7 million higher than expected; primarily, this was due to metric achievement, the timing of receipt, underperformance of private partners, and increased federal matching in effect for the public health emergency.

Total operating expenses of \$172.3 million were \$11.4 million or 7.1% greater than budget. Staff costs were \$7.8 million greater than budget primarily due to increases in premium labor and nursing incentives effective for the ongoing response to the COVID-19 pandemic. Medical supplies and pharmaceuticals increased \$1.7 million driven by the supplies kept on hand for COVID patients. Purchased services for outside medical and various non-clinical services contributed \$1.8 million to the variance.

Total patient days and average daily census in July were the highest thus far this fiscal year, with only a 2.3% variance to budget. Emergency room visits were in line with budget. Likewise, adjusted patient days, the overall measure of patient volume, continued the steady return to pre-pandemic levels and were 3.3% lower than budget. Total clinic visits including telehealth were 16.7% lower than budgeted and births were down 22.0%.

Total cash receipts for July were \$224.8 million. The System has \$1,061.6 million in unrestricted cash, cash equivalents and investments, representing 203.7 days cash on hand. Harris Health System has \$77.9 million in net accounts receivable, representing 37.3 days of outstanding patient accounts receivable at July 31, 2021. The July balance sheet reflects a combined netreceivable position of \$115.4 million under the various Medicaid Supplemental programs.

July expenses incurred by Harris Health for Foundation personnel and other costs were \$47,000.

Income Statement

As of July 31, 2021 (In \$ Millions)

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	\$ 63.9	\$ 48.4	32.0%	\$ 319.6	\$ 243.9	31.0%	\$ 209.1	52.9%
Medicaid Supplemental Programs	135.3	92.2	46.7%	283.8	221.9	27.9%	270.9	4.8%
Other Operating Revenue	2.3	3.1	-25.4%	17.0	15.3	10.9%	13.0	30.5%
Total Operating Revenue	\$ 201.5	\$ 143.7	40.2%	\$ 620.3	\$ 481.2	28.9%	\$ 493.0	25.8%
Net Ad Valorem Taxes	65.8	65.5	0.5%	328.9	327.5	0.4%	326.0	0.9%
Net Tobacco Settlement Revenue	-	-	0.0%	13.3	12.9	2.9%	12.9	2.7%
Interest Income & Other	0.1	0.6	-87.2%	0.8	4.1	-79.8%	23.2	-96.4%
Total Nonoperating Revenue	\$ 65.9	\$ 66.1	-0.3%	\$ 343.0	\$ 344.5	-0.4%	\$ 362.1	-5.3%
Total Net Revenue	\$ 267.4	\$ 209.8	27.4%	\$ 963.3	\$ 825.7	16.7%	\$ 855.1	12.7%
EXPENSE								
Salaries and Wages	\$ 66.1	\$ 59.9	-10.3%	\$ 301.5	\$ 285.1	-5.7%	\$ 269.0	-12.1%
Employee Benefits	21.5	19.9	-8.2%	105.6	98.5	-7.2%	92.6	-14.1%
Total Labor Cost	\$ 87.6	\$ 79.8	-9.8%	\$ 407.1	\$ 383.6	-6.1%	\$ 361.6	-12.6%
Supply Expenses	21.6	19.8	-8.8%	107.8	98.5	-9.4%	94.1	-14.5%
Physician Services	30.5	29.5	-3.4%	159.2	147.4	-8.0%	126.3	-26.1%
Purchased Services	26.7	25.6	-4.2%	117.9	113.9	-3.5%	94.1	-25.2%
Depreciation & Interest	5.9	6.2	4.6%	29.1	30.4	4.2%	28.4	-2.4%
Total Operating Expense	\$ 172.3	\$ 160.9	-7.1%	\$ 821.1	\$ 773.9	-6.1%	\$ 704.5	-16.6%
Operating Income (Loss)	\$ 95.1	\$ 48.9		\$ 142.2	\$ 51.8		\$ 150.6	
Total Margin %	35.6%	23.3%		14.8%	6.3%		17.6%	

Balance Sheet

As of July 31, 2021 and 2020 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,061.6	\$ 903.3
Net Patient Accounts Receivable	77.9	40.0
Net Ad Valorem Taxes, Current Portion	316.7	330.1
Other Current Assets	247.5	111.8
Total Current Assets	\$ 1,703.7	\$ 1,385.2
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 442.9	\$ 448.7
Construction in Progress	86.2	55.7
Total Capital Assets	\$ 529.1	\$ 504.3
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 53.2	\$ 72.4
LPPF Restricted Cash	0.4	150.8
Other - Restricted	1.0	0.9
Total Assets Limited As to Use & Restricted Assets	\$ 54.5	\$ 224.2
Other Assets	15.4	25.4
Deferred Outflows of Resources	179.3	97.8
Total Assets & Deferred Outflows of Resources	\$ 2,482.1	\$ 2,237.0
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 208.2	\$ 357.5
Employee Compensation & Related Liabilities	114.9	114.4
Estimated Third-Party Payor Settlements	8.6	7.4
Current Portion Long-Term Debt and Capital Leases	12.2	11.0
Total Current Liabilities	\$ 343.8	\$ 490.4
Long-Term Debt	308.4	321.3
Net Pension & Post Employment Benefits Liability	736.0	699.4
Other Long-Term Liabilities	24.4	28.5
Deferred Inflows of Resources	112.4	55.3
Total Liabilities	\$ 1,525.1	\$ 1,594.8
Total Net Assets	\$ 957.0	\$ 642.2
Total Liabilities & Net Assets	\$ 2,482.1	\$ 2,237.0

Cash Flow Summary

As of July 31, 2021 (In \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 77.6	\$ 57.7	\$ 348.3	\$ 228.4
Medicaid Supplemental Programs	143.6	100.7	346.1	357.6
Net Ad Valorem Taxes	1.2	2.5	49.6	23.3
Tobacco Settlement	-	-	13.3	12.9
Other Revenue	2.3	4.0	27.9	75.4
Total Cash Receipts	\$ 224.8	\$ 164.8	\$ 785.1	\$ 697.7
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 65.3	\$ 74.9	\$ 373.8	\$ 383.8
Supplies	23.6	22.2	114.9	106.4
Physician Services	28.2	24.4	148.6	129.3
Purchased Services	17.5	17.6	94.5	91.7
Capital Expenditures	6.0	7.8	34.8	41.9
Debt and Interest Payments	0.3	0.3	1.5	1.6
Other Uses	15.9	(6.7)	46.0	(54.7)
Total Cash Disbursements	\$ 156.9	\$ 140.4	\$ 814.1	\$ 699.9
Net Change	\$ 67.9	\$ 24.4	\$ (28.9)	\$ (2.2)

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2021

\$ 1,090.5

Net Change

\$ (28.9)

Unrestricted Cash, Cash Equivalents and Investments - July 31, 2021

\$ 1,061.6

Performance Ratios

As of July 31, 2021

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	35.6%	23.3%	14.8%	6.3%	17.6%
Run Rate per Day (In \$ Millions)	\$ 5.4	\$ 5.0	\$ 5.2	\$ 4.9	\$ 4.4
Salary, Wages & Benefit per APD	\$ 2,200	\$ 1,937	\$ 2,154	\$ 1,846	\$ 2,395
Supply Cost per APD	\$ 542	\$ 482	\$ 570	\$ 474	\$ 623
Physician Services Cost per APD	\$ 765	\$ 716	\$ 842	\$ 710	\$ 836
Total Expense per APD	\$ 4,325	\$ 3,906	\$ 4,344	\$ 3,725	\$ 4,666
Overtime as a % of Total Salaries	3.5%	2.5%	3.3%	2.6%	2.8%
Contract as a % of Total Salaries	4.0%	0.4%	3.3%	0.4%	1.5%
Full-time Equivalent Employees	9,826	9,211	9,050	9,157	8,639
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			4.9		2.8
Unrestricted Cash (In \$ Millions)			\$ 1,061.6	\$ 706.1	\$ 903.3
Days Cash on Hand			203.7	144.4	202.8
Days Revenue in Accounts Receivable			37.3	66.7	29.3
Days in Accounts Payable			38.9		39.6
Capital Expenditures/Depreciation & Amortization			141.2%		175.5%
Average Age of Plant (years)			12.9		12.6

Harris Health System Key Indicators



Statistical Highlights

As of July 31, 2021

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	39,835	41,196	-3.3%	189,010	207,790	-9.0%	150,983	25.2%
Outpatient % of Adjusted Volume	65.2%	63.8%	2.2%	64.0%	64.5%	-0.8%	60.7%	5.4%
Primary Care Clinic Visits	42,118	47,938	-12.1%	167,433	244,699	-31.6%	100,239	67.0%
Specialty Clinic Visits	19,954	21,970	-9.2%	97,085	107,949	-10.1%	61,401	58.1%
Telehealth Clinic Visits	15,143	22,742	-33.4%	125,138	115,360	8.5%	163,906	-23.7%
Total Clinic Visits	77,215	92,650	-16.7%	389,656	468,008	-16.7%	325,546	19.7%
Emergency Room Visits - Outpatient	12,125	11,987	1.2%	57,259	57,590	-0.6%	47,784	19.8%
Emergency Room Visits - Admitted	1,558	1,698	-8.2%	7,802	7,983	-2.3%	6,815	14.5%
Total Emergency Room Visits	13,683	13,685	0.0%	65,061	65,573	-0.8%	54,599	19.2%
Surgery Cases - Outpatient	786	1,246	-36.9%	4,202	6,135	-31.5%	2,992	40.4%
Surgery Cases - Inpatient	739	972	-24.0%	3,818	4,554	-16.2%	2,982	28.0%
Total Surgery Cases	1,525	2,218	-31.2%	8,020	10,689	-25.0%	5,974	34.2%
Total Outpatient Visits	137,550	147,708	-6.9%	764,641	740,433	3.3%	546,667	39.9%
Inpatient Cases (Discharges)	2,383	2,648	-10.0%	11,372	12,967	-12.3%	10,102	12.6%
Outpatient Observation Cases	1,207	1,319	-8.5%	6,101	5,916	3.1%	4,943	23.4%
Total Cases Occupying Patient Beds	3,590	3,967	-9.5%	17,473	18,883	-7.5%	15,045	16.1%
Births	404	518	-22.0%	1,815	2,181	-16.8%	1,746	4.0%
Inpatient Days	13,858	14,914	-7.1%	68,124	73,779	-7.7%	59,345	14.8%
Outpatient Observation Days	3,894	3,263	19.3%	18,270	14,362	27.2%	12,858	42.1%
Total Patient Days	17,752	18,177	-2.3%	86,394	88,141	-2.0%	72,203	19.7%
Average Daily Census	572.7	586.4	-2.3%	564.7	576.1	-2.0%	471.9	19.7%
Average Operating Beds	643	618	4.0%	660	618	6.8%	663	-0.5%
Bed Occupancy %	89.1%	94.9%	-6.1%	85.6%	93.2%	-8.2%	71.2%	20.2%
Inpatient Average Length of Stay	5.82	5.63	3.3%	5.99	5.69	5.3%	5.87	2.0%
Inpatient Case Mix Index (CMI)	1.642	1.738	-5.5%	1.744	1.738	0.3%	1.715	1.7%
Payor Mix (% of Charges)								
Charity & Self Pay	49.8%	51.2%	-2.8%	48.9%	51.2%	-4.5%	51.7%	-5.3%
Medicaid & Medicaid Managed	18.8%	22.7%	-17.1%	20.5%	22.7%	-9.8%	23.0%	-10.8%
Medicare & Medicare Managed	12.8%	11.8%	8.8%	12.5%	11.8%	6.1%	11.9%	5.5%
Commercial & Other	18.6%	14.3%	30.0%	18.1%	14.3%	26.6%	13.5%	33.8%
Total Unduplicated Patients - Rolling 12				254,412			267,065	-4.7%
Total New Patient - Rolling 12				77,488			78,994	-1.9%

Note: Prior year Clinic Visits have been restated; E&M & Telehealth Visits were aligned with Clinic and Ancillary Visits as appropriate. This shift represents a decrease of ~ 7% to Total Clinic Visits but no change to Total Outpatient Visits reported in FY21.

Harris Health System

Statistical Highlights

July FY 2022

Cases Occupying Beds - CM

Actual	Budget	Prior Year
3,590	3,967	3,030

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
17,473	18,883	15,045

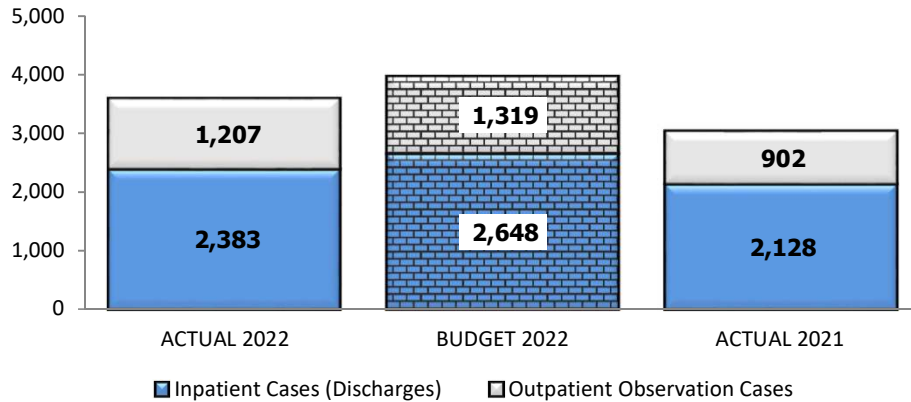
Emergency Visits - CM

Actual	Budget	Prior Year
13,683	13,685	10,622

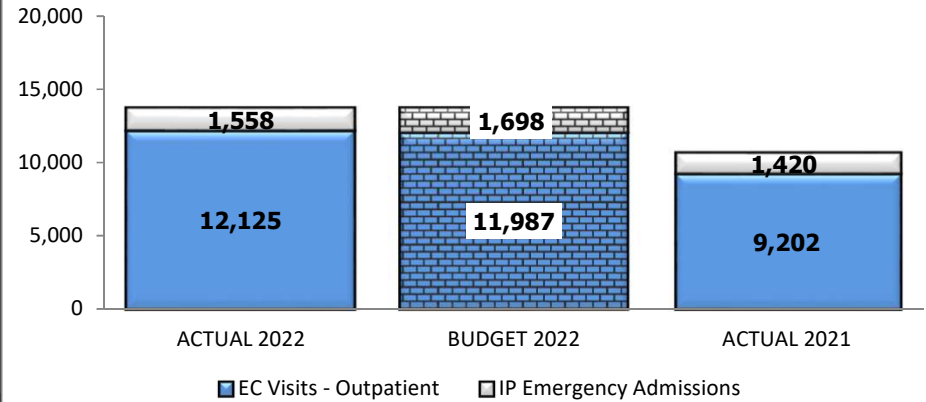
Emergency Visits - YTD

Actual	Budget	Prior Year
65,061	65,573	54,599

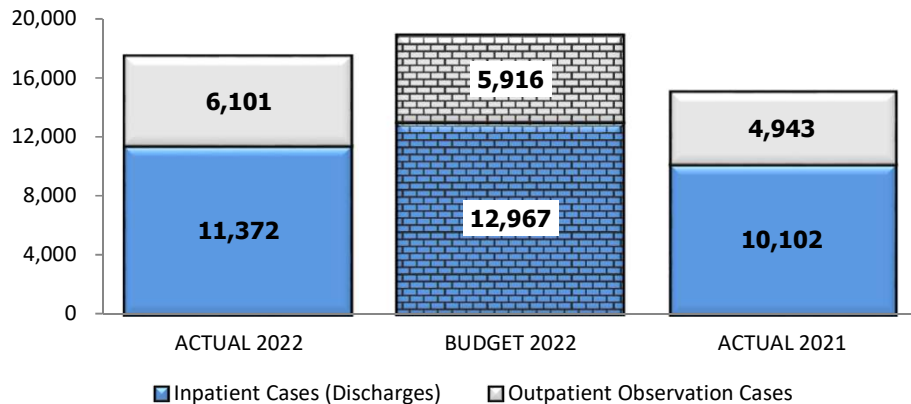
Cases Occupying Beds - Current Month



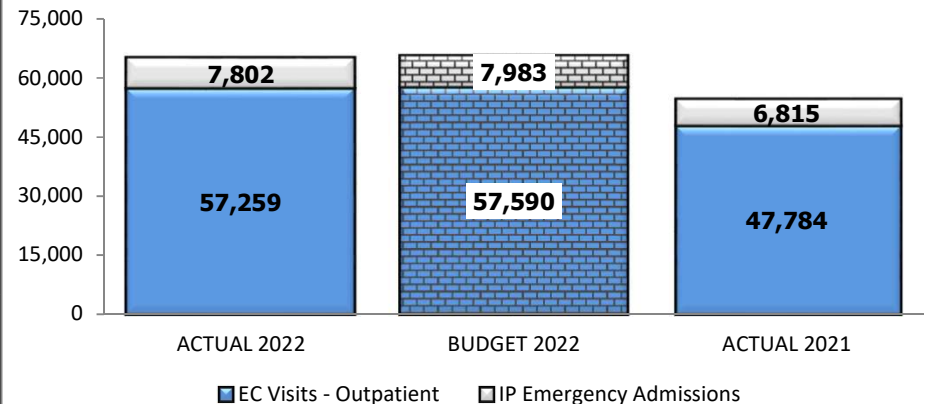
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

July FY 2022

Surgery Cases - CM

Actual	Budget	Prior Year
1,525	2,218	1,029

Surgery Cases - YTD

Actual	Budget	Prior Year
8,020	10,689	5,974

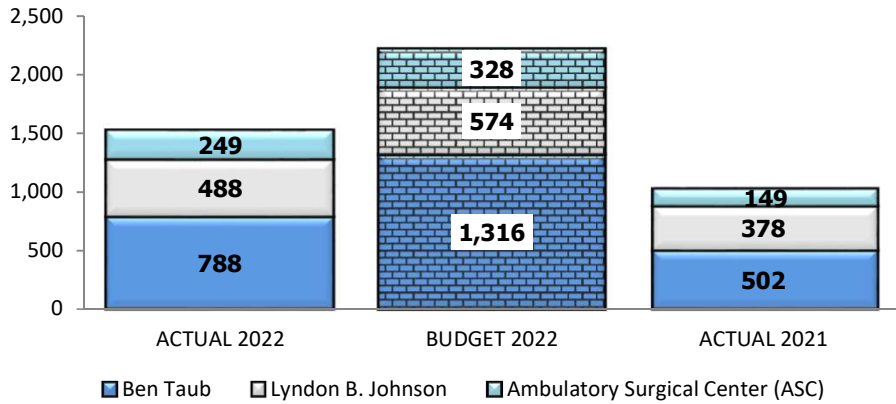
Clinic Visits - CM

Actual	Budget	Prior Year
77,215	92,650	74,350

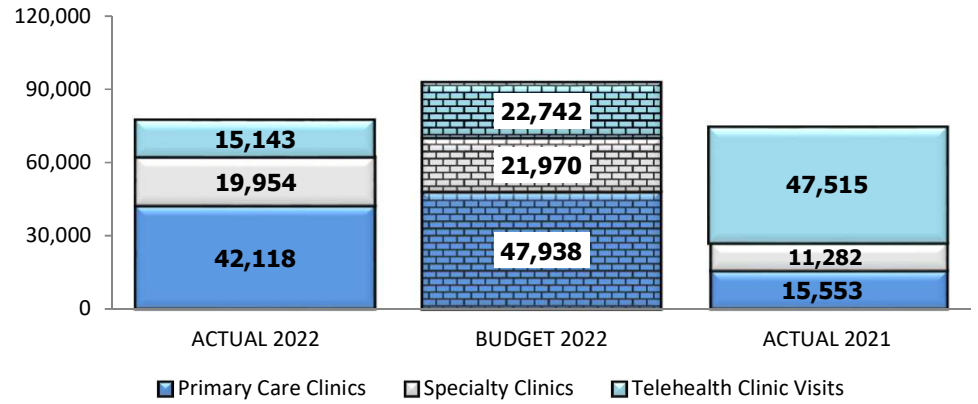
Clinic Visits - YTD

Actual	Budget	Prior Year
389,656	468,008	325,546

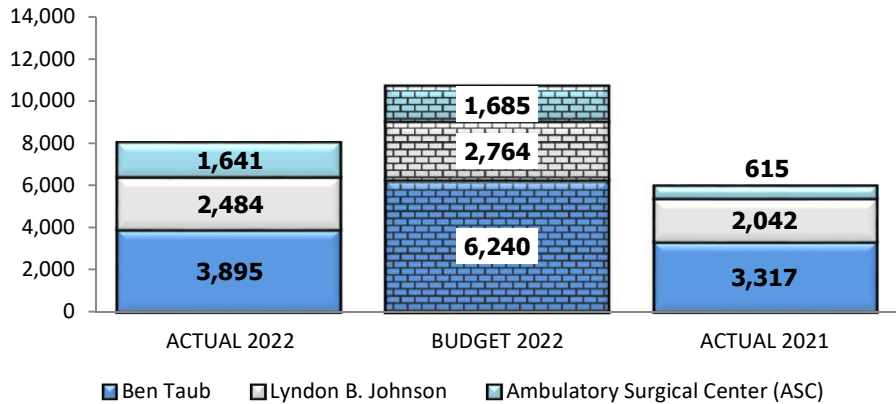
Surgery Cases - Current Month



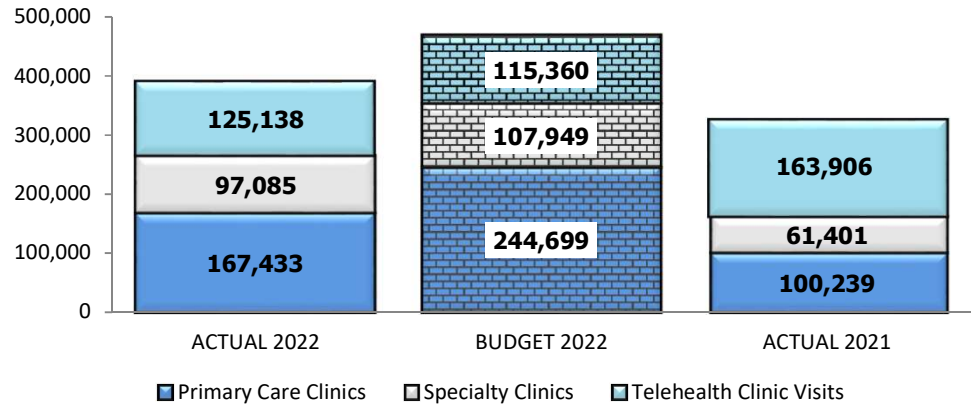
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

July FY 2022

Adjusted Patient Days - CM

39,835

Adjusted Patient Days - YTD

189,010

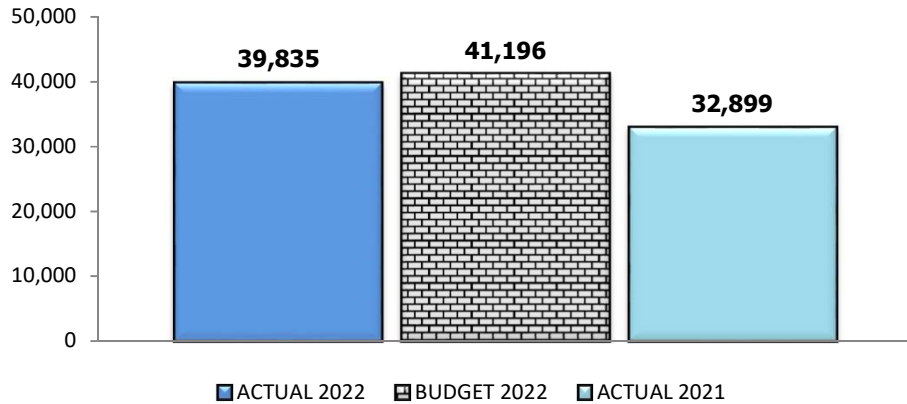
Average Daily Census - CM

572.7

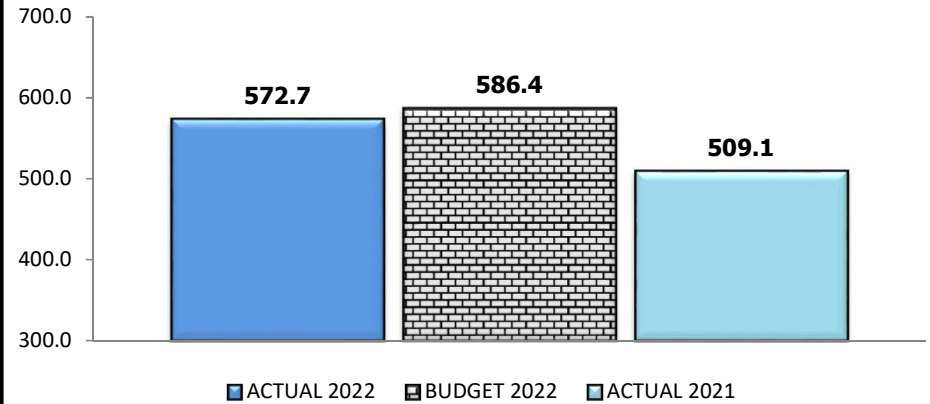
Average Daily Census - YTD

564.7

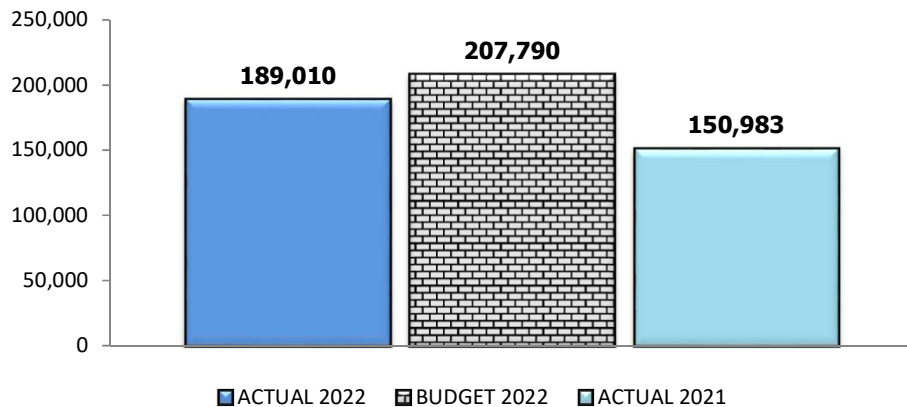
Adjusted Patient Days - Current Month



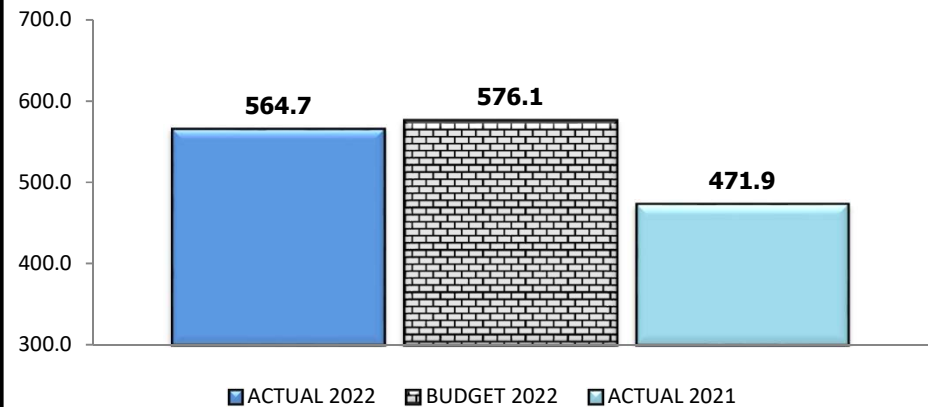
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

July FY 2022

Inpatient ALOS - CM

5.82

Inpatient ALOS - YTD

5.99

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.642

1.797

Case Mix Index (CMI) - YTD

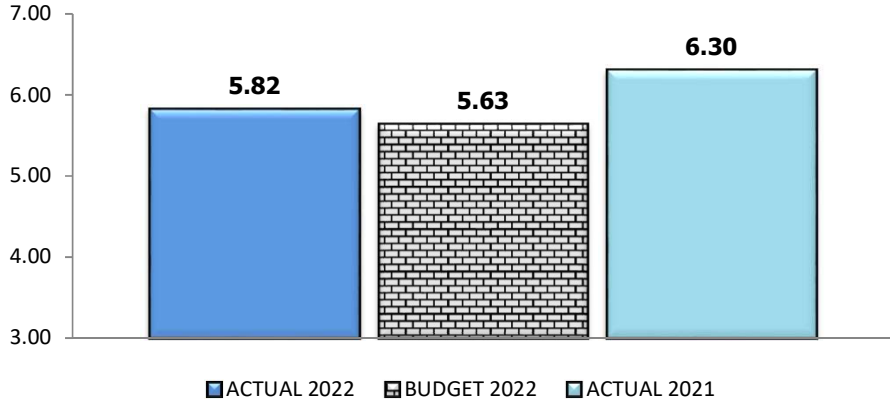
Overall

Excl. Obstetrics

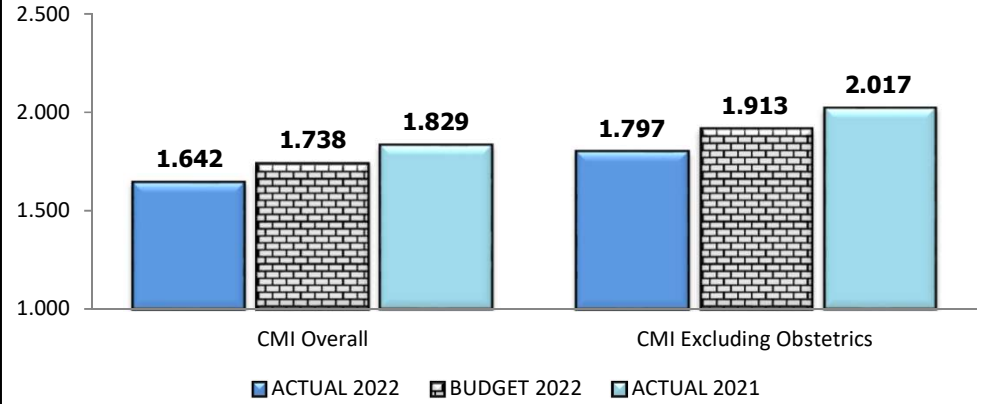
1.744

1.906

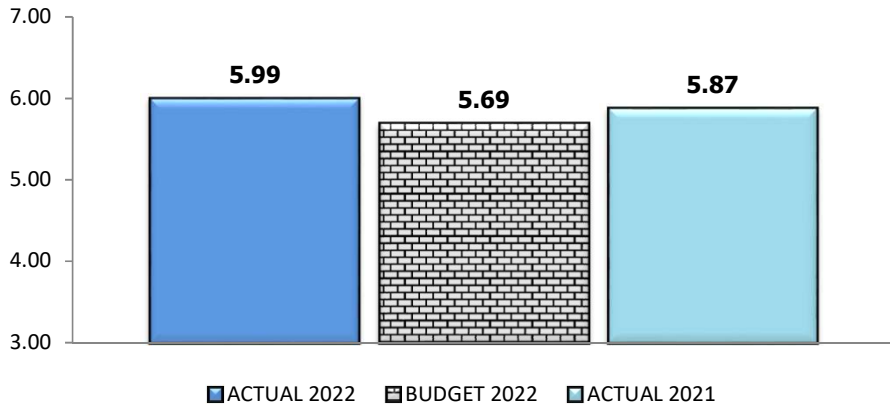
Inpatient ALOS - Current Month



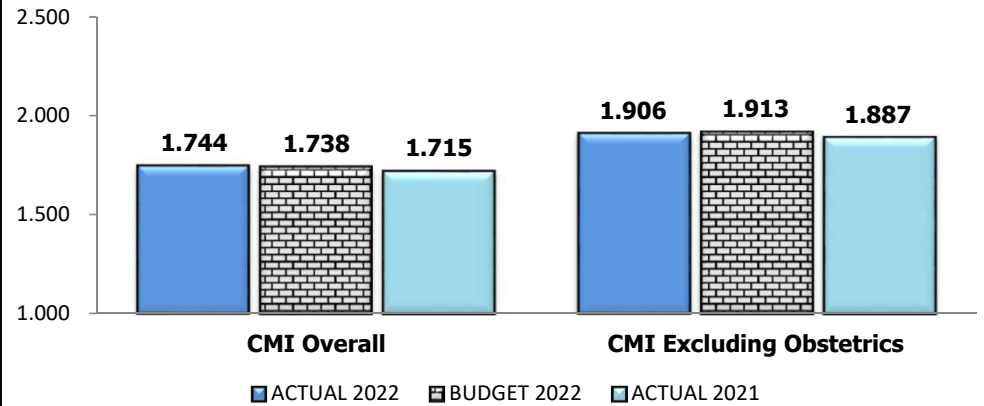
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

July FY 2022

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
2,132	2,736	1,865

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
10,622	12,812	9,367

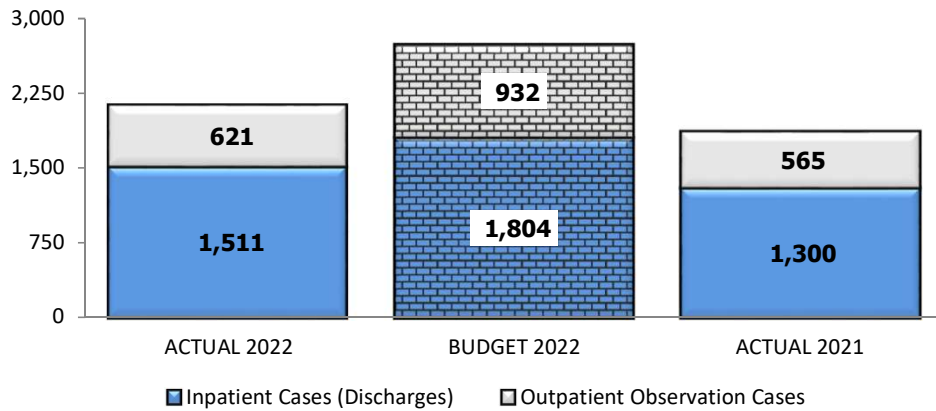
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,458	1,231	1,165

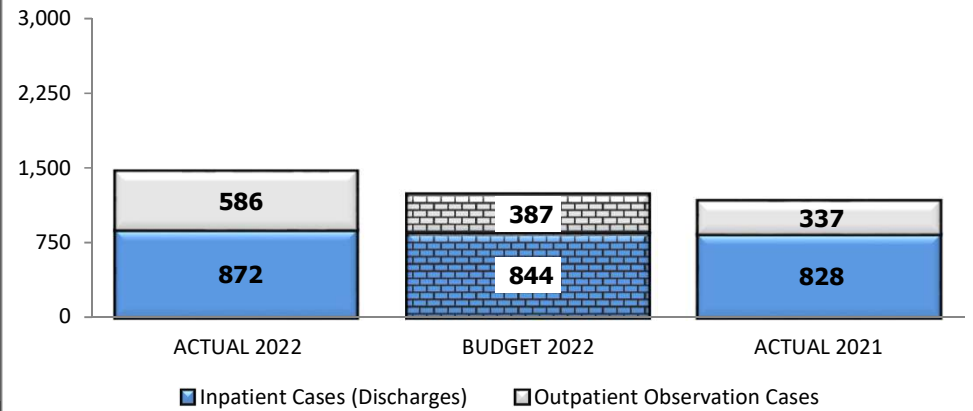
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
6,851	6,071	5,678

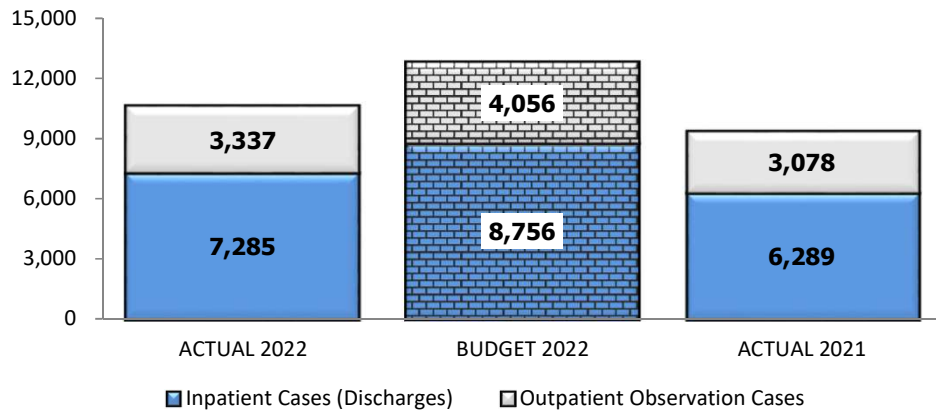
Ben Taub Cases - Current Month



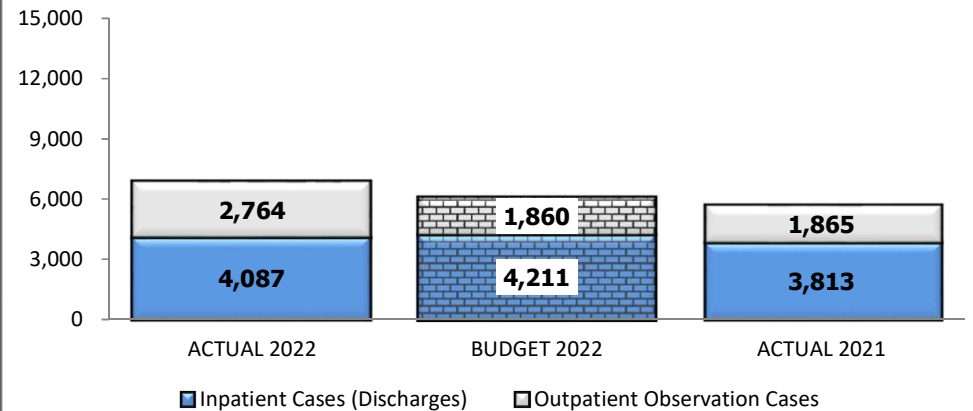
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

July FY 2022

BT Surgery Cases - CM

Actual	Budget	Prior Year
788	1,316	502

BT Surgery Cases - YTD

Actual	Budget	Prior Year
3,895	6,240	3,317

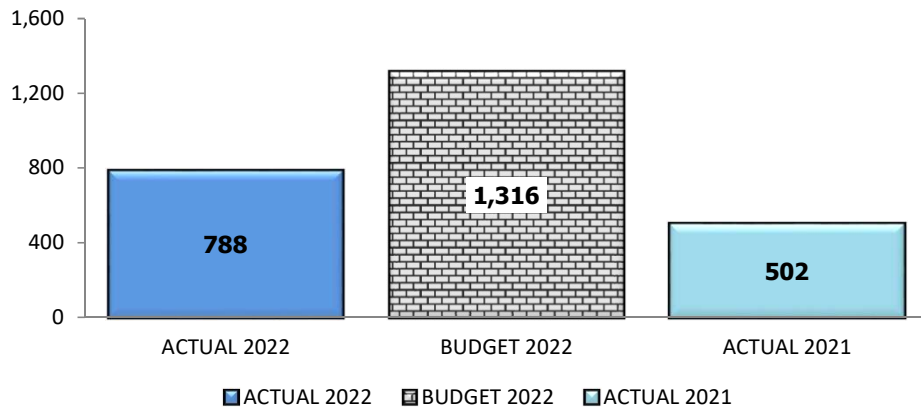
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
737	902	527

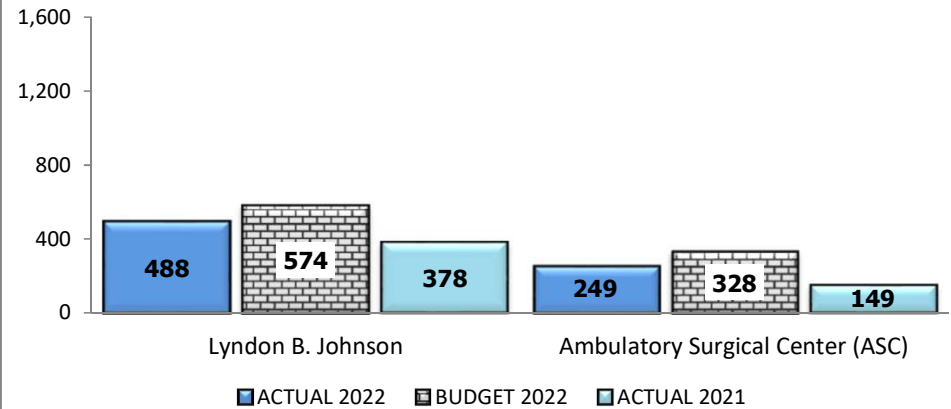
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
4,125	4,449	2,657

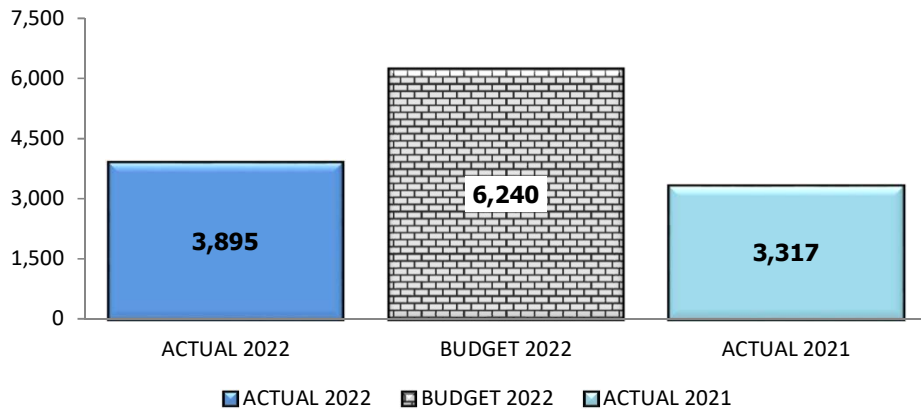
Ben Taub OR Cases - Current Month



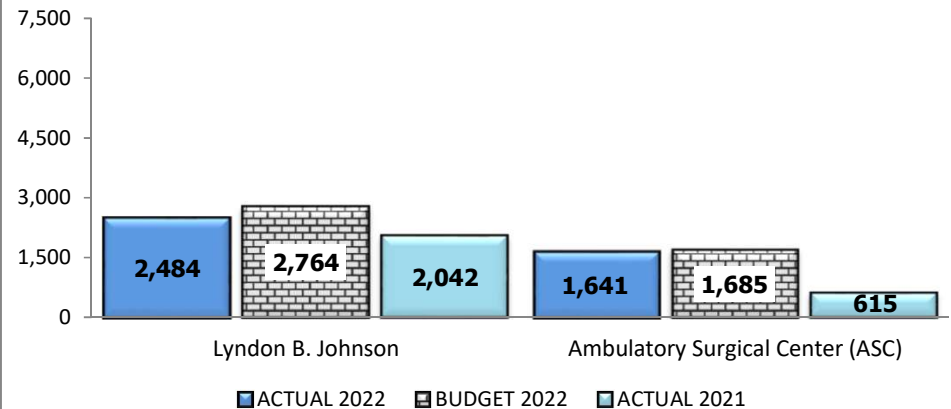
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

July FY 2022

BT Emergency Visits - CM

Actual	Budget	Prior Year
6,708	6,654	5,207

BT Emergency Visits - YTD

Actual	Budget	Prior Year
31,983	31,929	26,768

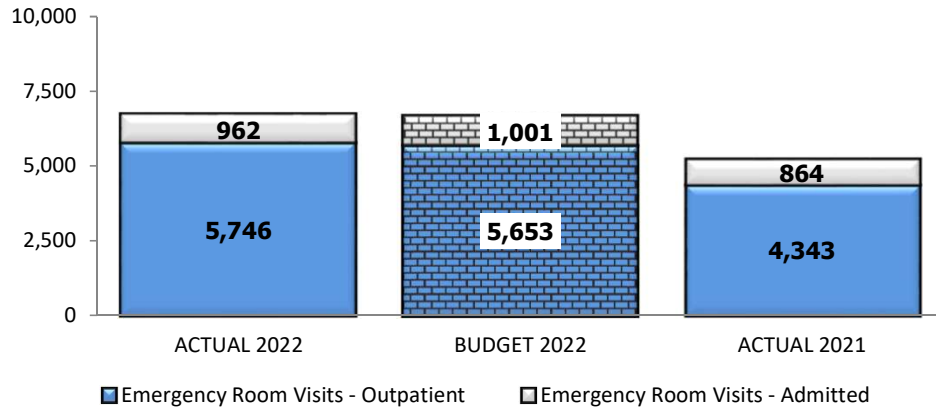
LBJ Emergency Visits - CM

Actual	Budget	Prior Year
6,975	7,031	5,415

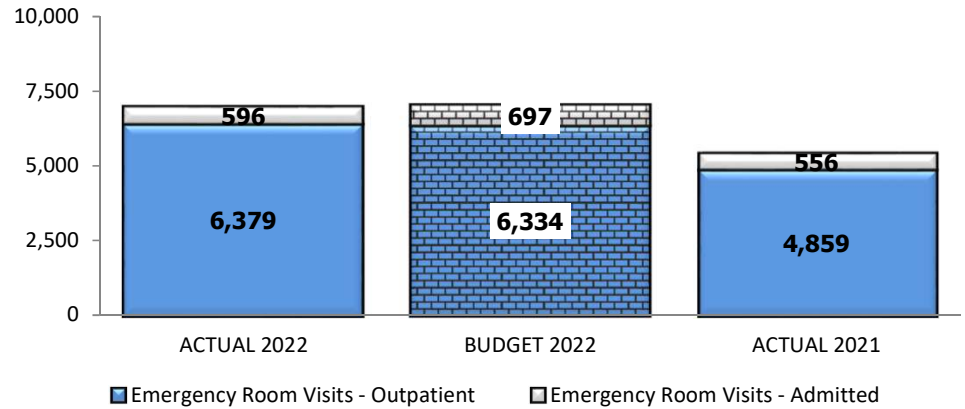
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
33,078	33,644	27,831

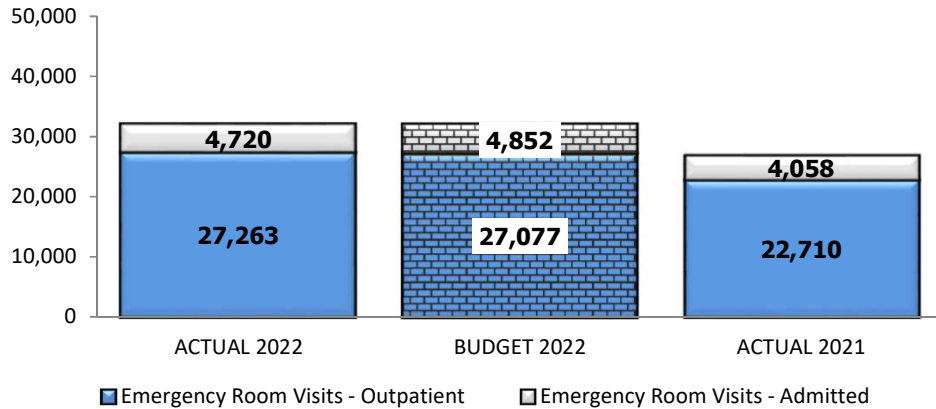
Ben Taub EC Visits - Current Month



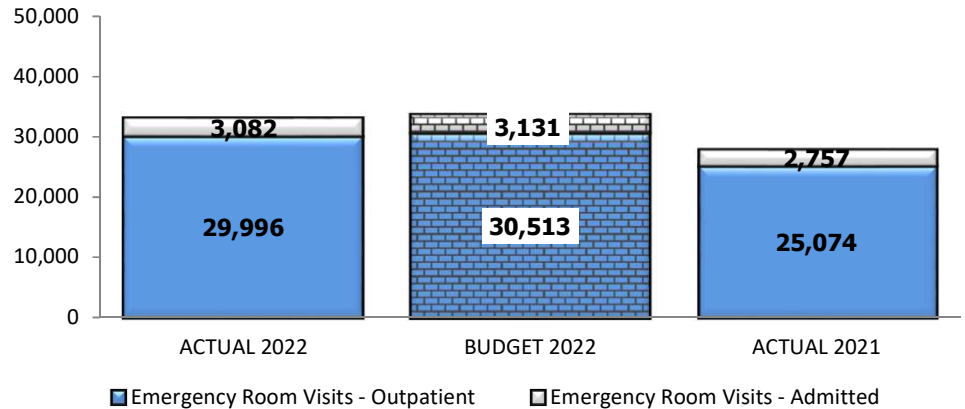
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

July FY 2022

BT Births - CM

Actual	Budget	Prior Year
233	360	212

BT Births - YTD

Actual	Budget	Prior Year
1,079	1,506	1,003

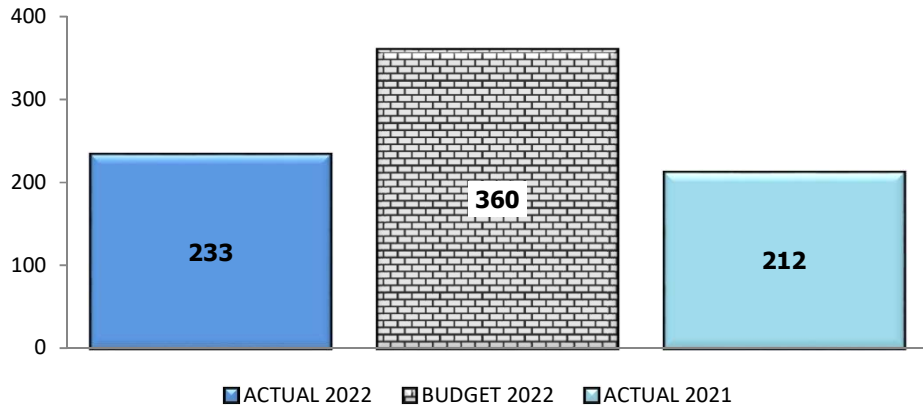
LBJ Births - CM

Actual	Budget	Prior Year
171	158	175

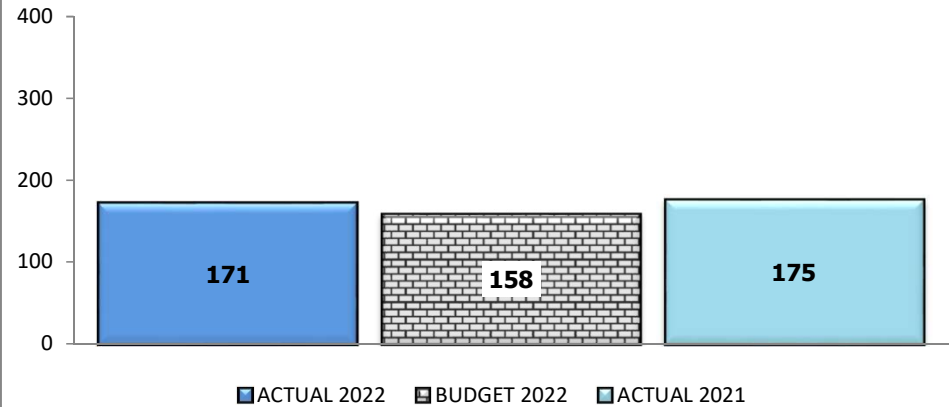
LBJ Births - YTD

Actual	Budget	Prior Year
736	675	743

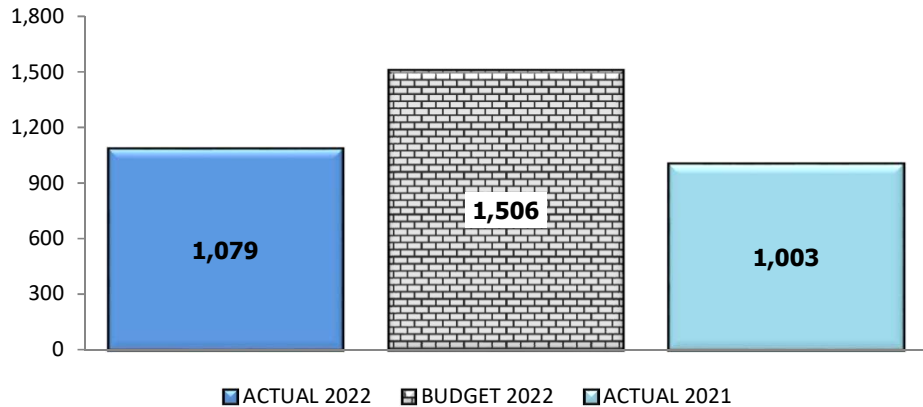
Ben Taub Births - Current Month



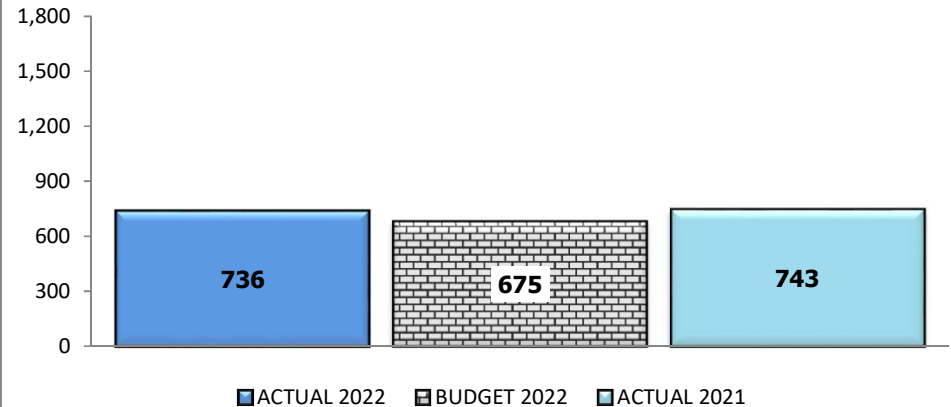
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

July FY 2022

BT Adjusted Patient Days - CM

20,299

BT Adjusted Patient Days - YTD

95,770

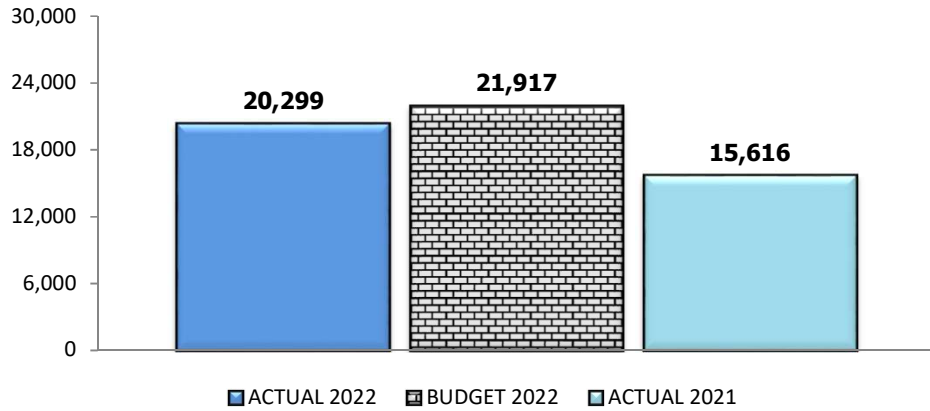
LBJ Adjusted Patient Days - CM

11,858

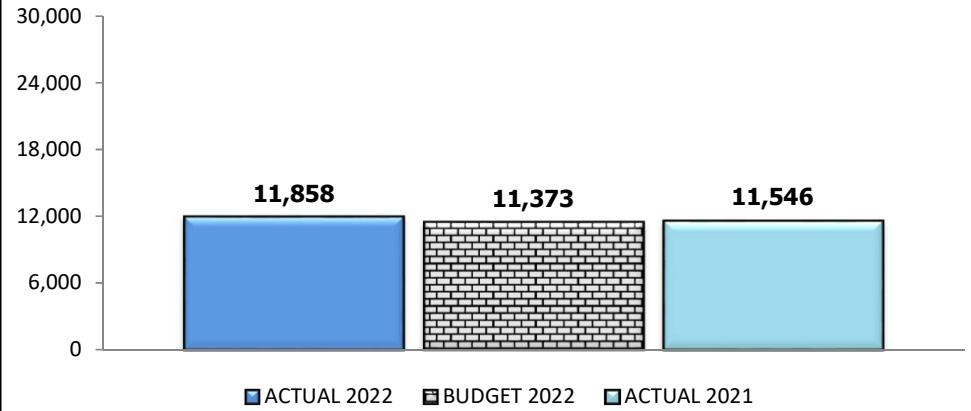
LBJ Adjusted Patient Days - YTD

57,335

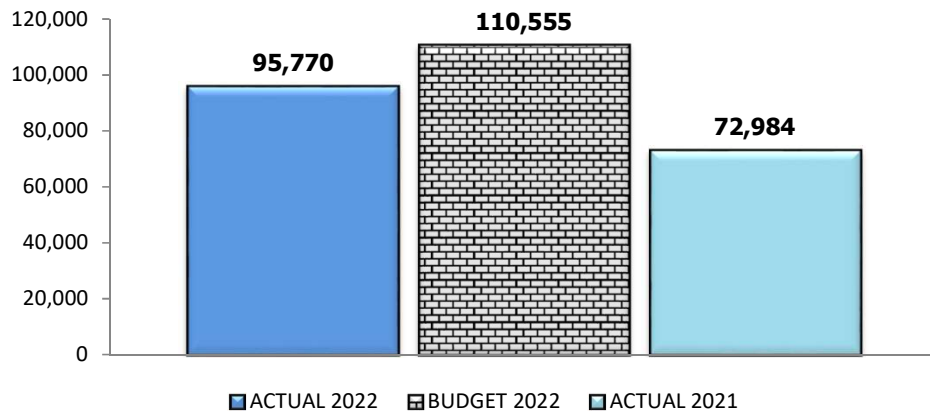
Ben Taub APD - Current Month



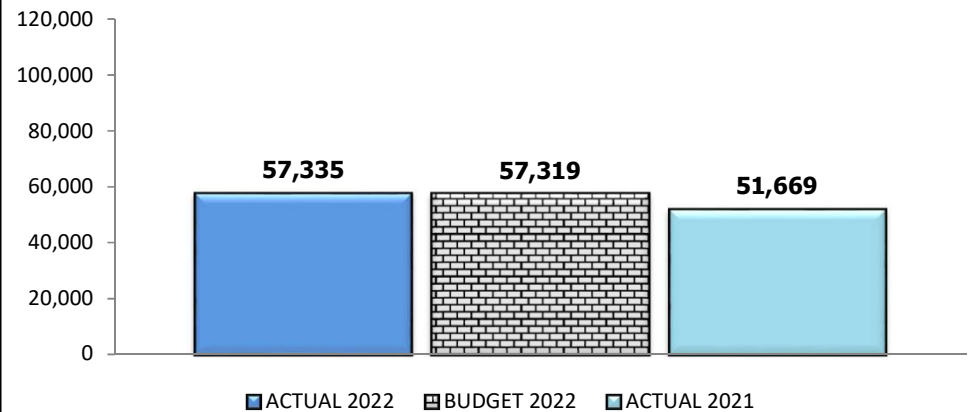
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

July FY 2022

BT Average Daily Census - CM

376.8

BT Average Daily Census - YTD

372.9

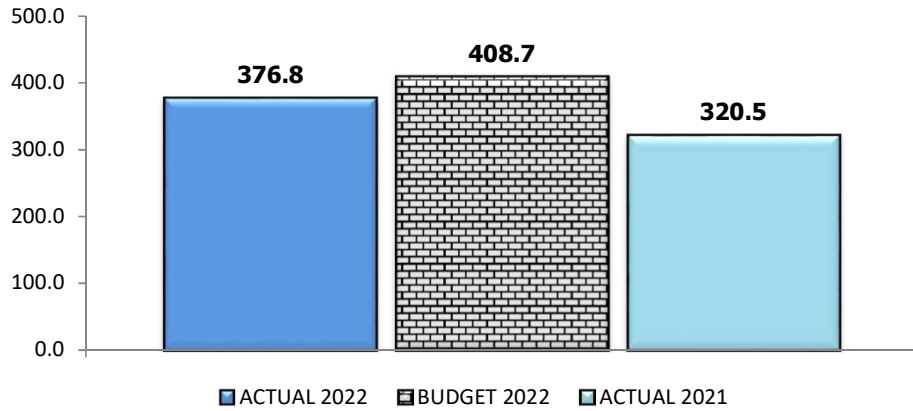
LBJ Average Daily Census - CM

195.8

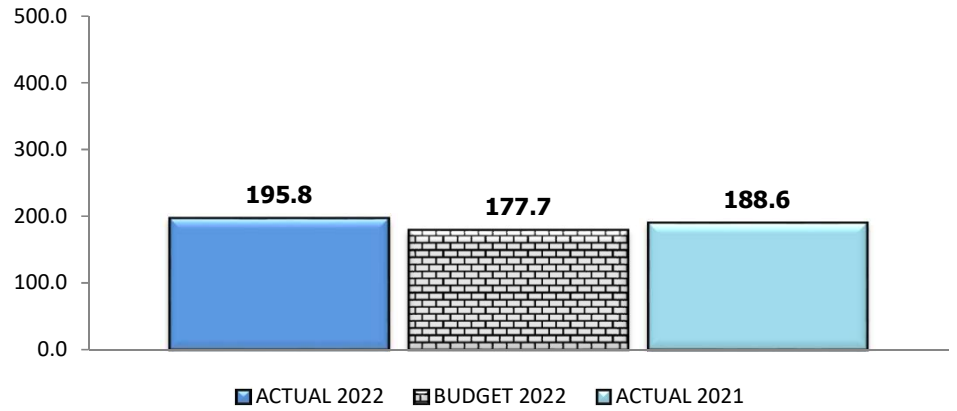
LBJ Average Daily Census - YTD

191.7

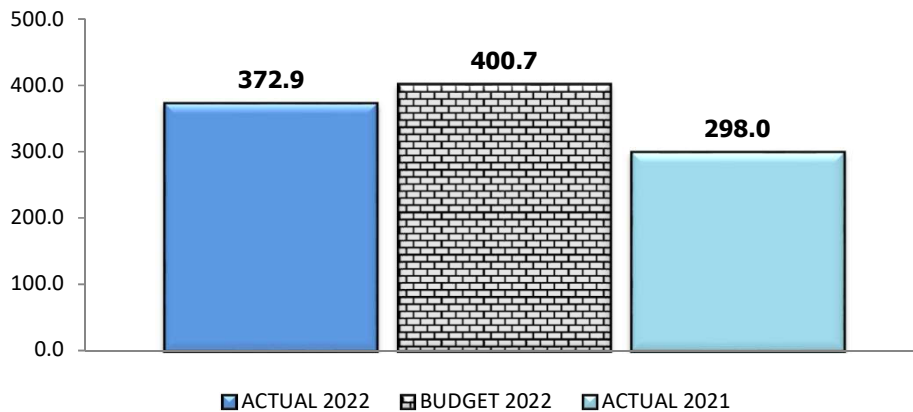
Ben Taub ADC - Current Month



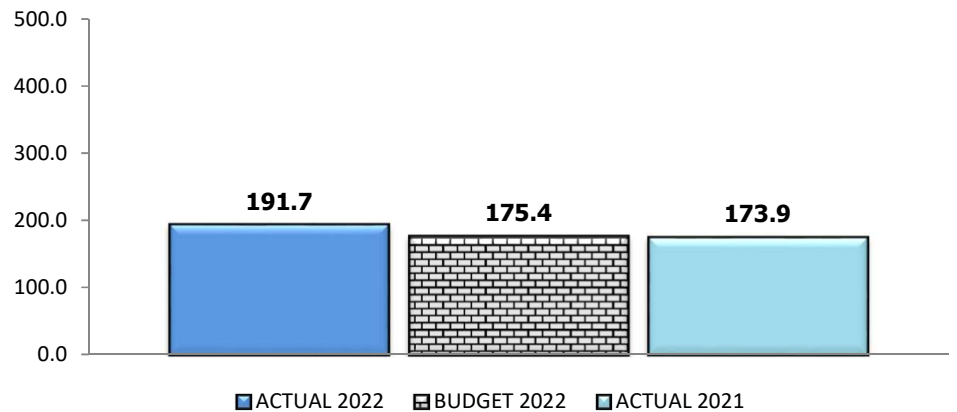
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

July FY 2022

BT Inpatient ALOS - CM

6.39

BT Inpatient ALOS - YTD

6.42

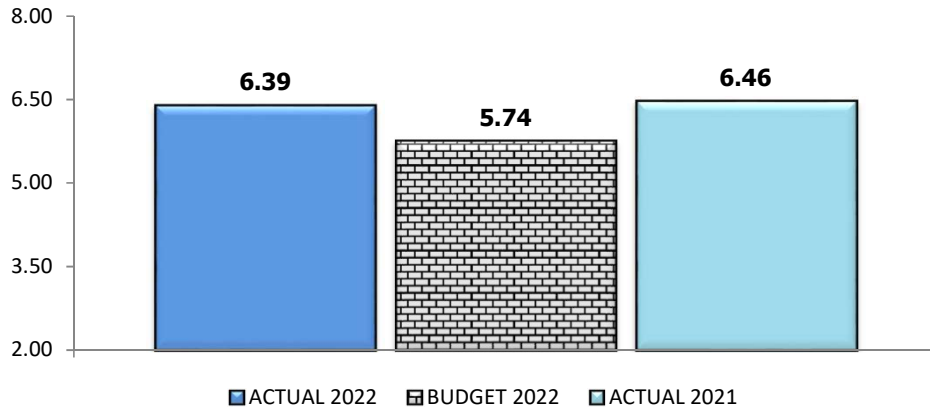
LBJ Inpatient ALOS - CM

4.83

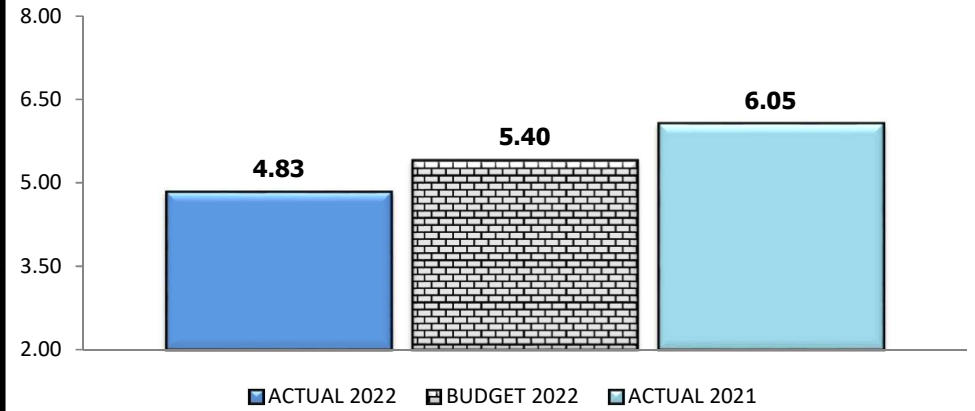
LBJ Inpatient ALOS - YTD

5.22

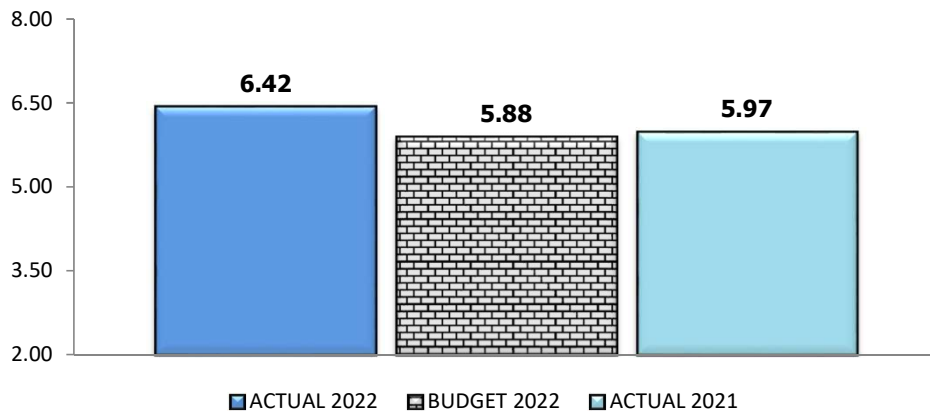
Ben Taub ALOS - Current Month



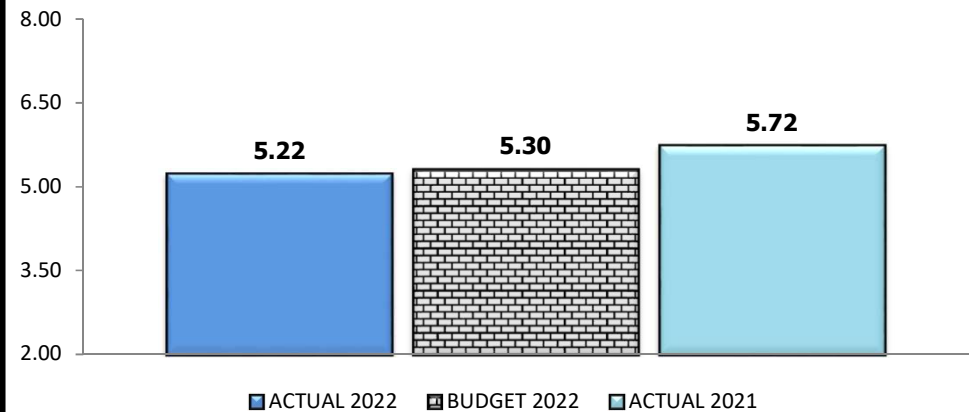
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

July FY 2022

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.659	1.799

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.779	1.930

LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.612	1.794

LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.682	1.862

